

Agency Name:	Division Of Aeronautics		
Agency Code:	U300	Section:	87



Fiscal Year FY 2022-2023

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2022-2023, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.
NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2022-2023, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2022-2023, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
PROVISOS <i>(FORM D)</i>	For FY 2022-2023, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT: SECONDARY CONTACT:	James D. Stephens	(803) 896-6272	jstephens@aeronautics.sc.gov
	Melody Mikell	(803) 896-6279	memikell@aeronautics.sc.gov

I have reviewed and approved the enclosed FY 2022-2023 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:		

This form must be signed by the agency head – not a delegate.

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BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B2 - Non-Recurring	Commercial Airport Funding	50,000,000	0	0	0	50,000,000	0.00	0.00	0.00	0.00	0.00
TOTALS			50,000,000	0	0	0	50,000,000	0.00	0.00	0.00	0.00	0.00

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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Commercial Airport Funding
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Provide a brief, descriptive title for this request.

AMOUNT	\$50,000,000
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations
	<input type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding
<input type="checkbox"/>	Related to a Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input checked="" type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>The utilization of funds will be approved by the South Carolina Aeronautics Commission and will follow program policy for the State Aviation Fund.</p> <p>The use of these funds coincides with Goal #3 (Protect the investment SC has made in the state airport system), and more specifically aligns with strategy 3.4 (Continue to provide grant funding for approved Capital Improvement Projects for State Airports).</p> <p>The additional funds would enable the commercial airports to make necessary capital improvements and protect the investments of the state airports. The airport would submit a grant request to the agency for approval and then submit documentation showing the work had been completed based on agency guidelines to get reimbursement. The requests are reviewed thoroughly before obtaining approval for payment.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>Charleston International Airport</p> <p>Columbia Metropolitan Airport</p> <p>Florence Regional Airport</p> <p>Greenville Spartanburg International Airport</p> <p>Hilton Head Island Airport</p>
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Myrtle Beach International Airport

The airports would follow the existing Aeronautics' guidelines for capital project eligibility to obtain approval of a grant. The approval of projects would be based on an existing ranking system and guidelines as described in SCAC Airport Development Policies and Procedures along with any related provisos.

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)?
How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION
OF REQUEST**

The funds sought will be used to support Commercial Airport Infrastructure Needs, will enable greater economic development opportunities within the region, and will assist with developmental programs that enhance the economic vitality of each airport, their respective communities, and their overall competitiveness in aviation and aerospace. These funds will enable commercial airports to maintain their existing infrastructure and make necessary improvements needed to maintain and grow the service quality for passengers of the state.

In the 2018 South Carolina Airports System Plan, the SC Aeronautics Commission reported that the costs of developmental needs of each of these airports was greater than the state or federal funds available in normal programs. To maintain current infrastructure, to grow along with the needs that arise from communal growth, and to be more competitive in the region, the funds will allow for necessary investments to be made.

It has been shown through our Economic Impact Study that these airports provide a major portion of the financial impact of our airport system within the state. If these airports are not able to maintain their infrastructure and make the necessary improvements, the economic impact growth would be stunted and our competitiveness within our region will decline.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM D – PROVISO REVISION REQUEST

NUMBER	NEW <i>Cite the proviso according to the renumbered list (or mark "NEW").</i>
TITLE	AERO: Federal Asset Transfer - Aircraft <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
BUDGET PROGRAM	General Fund <i>Identify the associated budget program(s) by name and budget section.</i>
RELATED BUDGET REQUEST	No <i>Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.</i>
REQUESTED ACTION	Add <i>Choose from: Add, Delete, Amend, or Codify.</i>
OTHER AGENCIES AFFECTED	None <i>Which other agencies would be affected by the recommended action? How?</i>

SUMMARY & EXPLANATION	<p>SECTION 55-5-80. Responsibility and authority of the division. (C) The division shall operate a flight department including the purchase, operation, and maintenance of aircraft to support the transportation needs of the State and may support and cooperate with other state agencies who own aircraft through maintenance and operations agreements.</p> <p>SECTION 1-11-405. Aircraft purchase, lease, or lease-purchase by state agency.No aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the Department of Administration or the State Fiscal Accountability Authority, as appropriate, and the Joint Bond Review Committee.</p> <p>State Code references the operation of the flight department at Aeronautics, and states that authorization by the SFAA is required before purchase. However, based upon the latest House Legislative Oversight process, there was recommendation to allow the Division to utilize the Federal Asset Transfer program to create a low-cost method for aircraft replacement.</p> <p>The Federal Asset Transfer program allows states to acquire (under loan) assets from the federal government, put them into service, then retain ownership after 5 years of use. This program would allow the Division to secure aircraft for use, then would provide a method for the state to sell aircraft later providing for the cash-flow potential for future aircraft acquisitions and replacement.</p> <p>When opportunities arise from within the Federal Asset Transfer program, the timing of responsiveness does not coincide with the requirements of the current state approval process. With the South Carolina Aeronautics Commission oversight, this proviso would allow for a more expedited approval process, enabling the division to capture opportunities in the future.</p> <p>Not only would we be able to acquire assets at very low costs, the program could lead to the ability to acquire, sell at a later date, then cash-flow newer aircraft purchases with less capital investing from the General Fund.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

The Division proposes allowing participation in the program through dollars already appropriated or carried forward from prior fiscal years, but with a \$50,000 acquisition limit.

No additional General Funds are being requested.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

Aeronautics may participate in the Federal Asset Transfer program to secure aircraft for use in official state business by utilizing appropriated general funds, not to exceed \$50,000, and after the South Carolina Aeronautics Commission has provided the approval.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$63,698
	<i>What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>

ASSOCIATED FTE REDUCTIONS	None
	<i>How many FTEs would be reduced in association with this General Fund reduction?</i>

PROGRAM / ACTIVITY IMPACT	<p>No external programs will be hindered by reductions listed. Each of the areas where reductions can take place are in place to support the overall objectives of the agency, and those objectives will not be changing. How the objectives are completed may change slightly, but no changes will be noticed outside of the agency. The associated program objectives are part of each of the agency departments or overall agency operations.</p>
	<i>What programs or activities are supported by the General Funds identified?</i>

SUMMARY	<p>The agency will be replacing all the windows with new more efficient ones this year. These projects will result in reduced utility costs.</p> <p>Associated with the facilities, the agency has and will continue to do facility maintenance upgrades in house to reduce costs.</p> <p>The agency could also do maintenance and repair of state vehicles in house which should result in a reduction in repair costs.</p> <p>The agency could possibly reduce travel expenses by going to fewer conferences and staff educational programs, and by participating in these programs and meetings via teleconference.</p> <p>Also, each year, the agency participates in the promotion of the aerospace/aviation industry. These promotional efforts could possibly be managed such that costs are reduced, but agency participation remains.</p> <p>Education and training may be deferred to future years to reduce costs in the current year.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

- Cost savings for electricity from replacement of windows to more energy efficient ones = \$8,000
- Perform facilities maintenance in house = \$12,000
- Reduced employee travel = \$20,000
- Vehicle maintenance and repair completed in house = \$6,000
- Reduction of promotional expenses = \$4,000
- Delayed education and training = \$14,000

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

